

## Message Text

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63

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-06

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-24 SP-02

CIEP-02 LAB-03 SIL-01 OMB-01 DRC-01 /069 W

----- 128439

R 151638Z OCT 74

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 5294

UNCLAS MANAGUA 4038

E.O. 11652: N/A

TAGS: BPRO, NU

SUBJECT: PROPOSED EXIMBANK GUARANTEE OF SALE TO  
INDUSTRIAS FORESTALES CHONTALENAS, S.A.

REF: STATE 220300

1. A WTDR SUBMITTED ON SEPTEMBER 19, 1974, SHOWS THAT THE FIRM OWNS AND OPERATES A MILL PRODUCING LUMBER, RAILROAD TIES, AND OTHER TIMBER PRODUCTS FOR LOCAL MARKET AND CENTRAL AMERICA. EMPLOYS 17. IT BEGAN OPERATING ONLY IN JULY 1974 AND PLANS PRODUCE 3.2 MILLION BOARD FEET OF LUMBER IN ITS FIRST YEAR. FIRM REPORTED U.S. \$19,000 IN WORKING CAPITAL, NET CAPITAL OF U.S. \$90,000 AND CURRENT SALES OF \$20,000 PER MONTH.

2. CORPORATION IS CONTROLLED BY MRS. LILLIAM SOMOZA DE SEVILLA SACASA, WEALTHY SISTER OF PRESIDENT-ELECT SOMOZA OF NICARAGUA, AND WIFE OF NICARAGUA'S AMBASSADOR TO WASHINGTON. SHE HAS FINANCIAL RESOURCES TO PERSONALLY GUARANTEE LOAN. OTHER TWO PRINCIPALS ARE NOT KNOWN TO BE WEALTHY. MARIO OVIDEO REYES WHO IS COMPETENT MANAGER SET UP THE LUMBER MILL BUT IS NO LONGER WORKING FOR COMPANY. RENE QUINONES IS AN OFFICER IN THE NICARAGUAN NATIONAL GUARD.

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3. AS STATED IN WTDR, LOCAL BANK REPORTS THAT FIRM ENJOYS

GOOD FINANCIAL REPUTATION AND IS REGARDED AS SERIOUS AND  
COMPETENT.  
SHELTON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** STATE 220300  
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**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 APR 2002 by chappeld>; APPROVED <06 FEB 2003 by martinjw>  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
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**TAGS:** BPRO, NU  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005